

YOLO COUNTY ECONOMIC FORECAST

For most of the current business cycle, the Yolo County economy created jobs at a rapid rate, but growth is now slowing. In 2017 the county gained 1,400 jobs, representing an increase of 1.3 percent. By comparison, growth was observed at 2.0 percent across California.

The unemployment rate is now very low in Yolo County, reaching 5.1 percent in 2017. This indicates that the county has reached a “full employment” scenario, meaning that almost everyone who wants a job already has a job. This has been a major contributor to the slowdown in job creation, because there are simply fewer available workers to hire.

The manufacturing industry has also restrained county-wide job creation. Yolo County has a substantial number of food manufacturing firms, which turn agricultural goods into finished food products. The manufacturing sector lost 750 jobs over the last two years, primarily due to lower levels of agricultural production. Local farms have harvested fewer almonds, walnuts, rice, and tomatoes in recent years, leading to lower levels of business activity at food manufacturing plants.

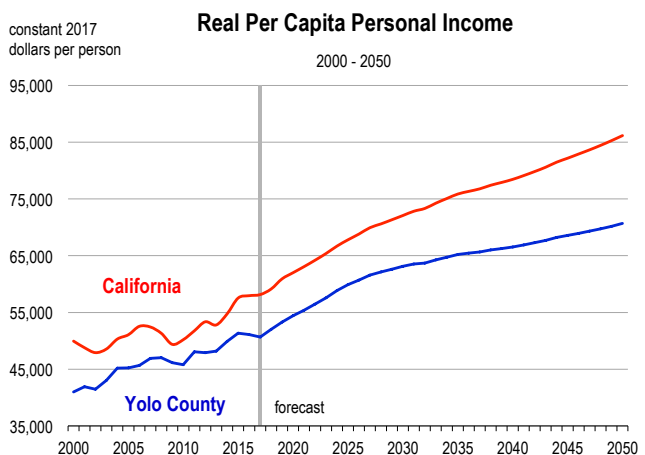
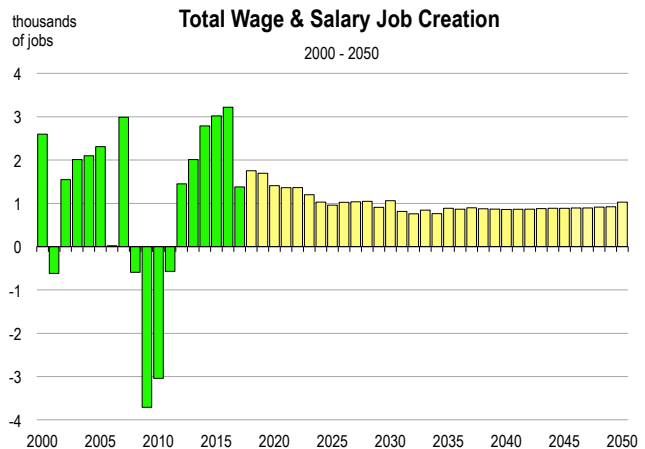
Two of the leading sectors in 2017 were leisure services and healthcare. The leisure sector generated 290 new jobs, primarily in restaurants, while the healthcare industry created 440 jobs.

Another leading sector was construction, which generated 240 new jobs. Construction activity is increasing relatively quickly, with almost 500 new homes breaking ground last year. Construction of non-residential structures has also been healthy, and more than \$165 million was invested into development and renovation projects. This includes \$50 million going into new retail and restaurant buildings, \$27 million into new industrial facilities, and \$43 million being spent on improving existing structures.

Population growth decelerated in 2017, but the Yolo County population is still growing faster than the statewide average. Over the last five years, population growth has averaged 1.3 percent annually. Net migration has been the primary source of this growth, with new residents moving to the county for its affordable homes and proximity to the Sacramento job market. Along Coastal California, households often spend between 35 percent and 50 percent of their income on mortgage payments and rent, but in Yolo County this figure is typically less than 30 percent.

FORECAST HIGHLIGHTS

- Total employment is expected to increase by 1.6 percent in 2018. From 2018 to 2023, the growth rate is projected to average 1.2 percent per year.
- Over the 2018-2023 period, employment growth will be greatest in the government sector, which will account for 45 percent of net job creation in the county. Government job growth is highly



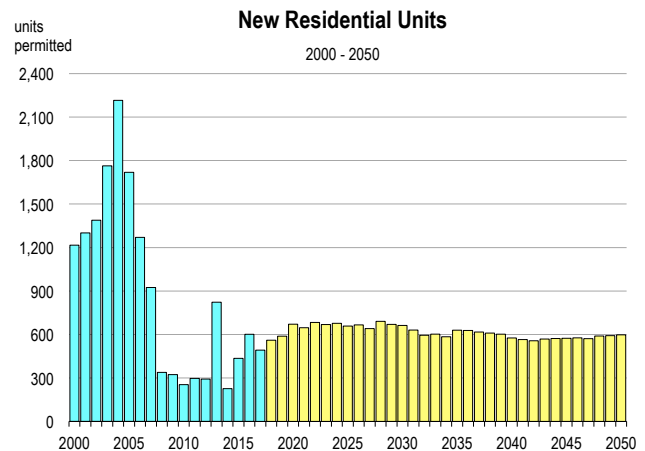
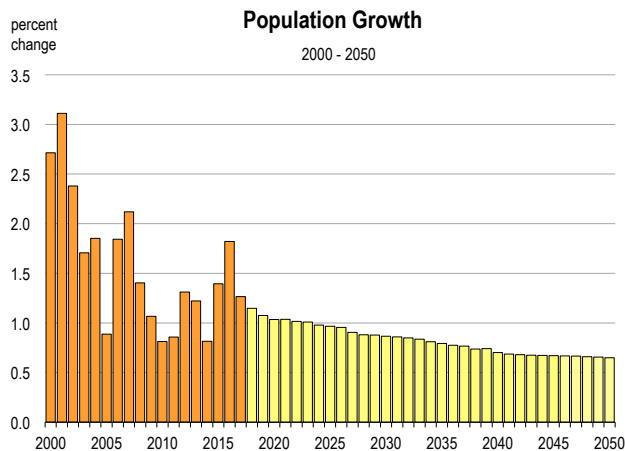
influenced by public colleges and universities, which employ more than 24,000 people in the county. As enrollments increase, these institutions will hire thousands of new workers by 2023.

- Average salaries are currently below the California state average, and will remain so throughout the forecast period. In Yolo County, inflation-adjusted salaries are expected to rise by an average of 1.6 percent per year between 2018 and 2023.
- Housing production in Yolo County will be concentrated in Davis, where 1,700 units have been proposed, and West Sacramento, where 5,000 units are in various stages on the development process.
- Over the 2018-2023 period, population growth is expected to average 1.0 percent per year. An average of 1,200 net migrants will enter the county each year, accounting for approximately half of all population growth.

Yolo County Economic Forecast

2010-2017 History, 2018-2050 Forecast

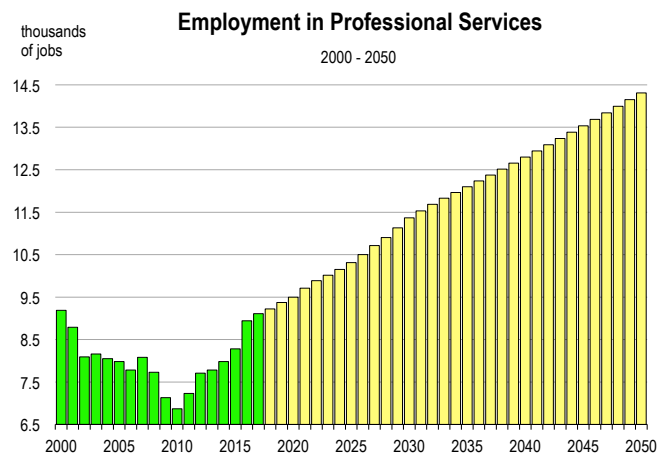
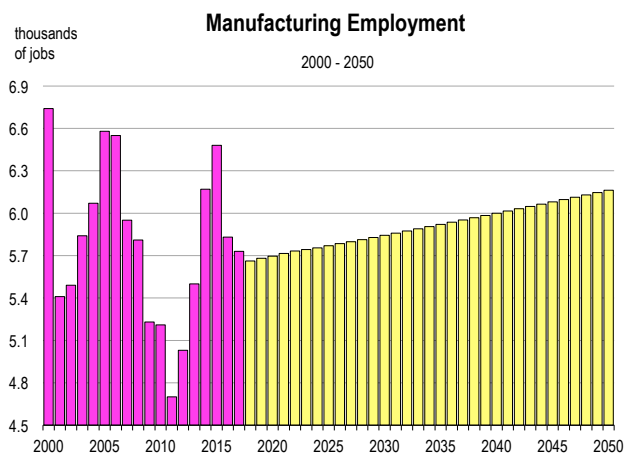
	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (billions)	Unemploy- ment Rate (percent)
2010	201,321	312	170	69.8	254	\$2.9	\$8.0	\$45,799	1.3	513.8	2.3	12.1
2011	203,048	514	167	70.0	297	\$3.2	\$8.6	\$48,054	2.7	619.9	2.2	11.8
2012	205,712	1,509	168	70.4	292	\$3.5	\$8.9	\$47,923	2.7	712.9	2.2	10.6
2013	208,223	1,288	173	70.8	822	\$3.7	\$9.2	\$48,187	2.3	785.2	2.4	9.0
2014	209,921	389	177	71.1	227	\$3.8	\$9.8	\$49,886	2.8	851.4	2.6	7.5
2015	212,850	1,797	181	71.2	436	\$4.0	\$10.4	\$51,356	2.6	700.2	2.6	6.5
2016	216,726	2,742	186	72.4	602	\$3.9	\$10.8	\$51,108	3.1	682.0	2.5	5.9
2017	219,468	1,606	186	73.4	492	\$4.1	\$11.1	\$50,681	3.2	688.9	2.6	5.1
2018	221,986	1,416	188	73.8	560	\$4.3	\$11.9	\$52,025	3.7	707.6	2.6	4.7
2019	224,374	1,266	190	74.4	588	\$4.5	\$12.6	\$53,313	3.1	718.1	2.6	4.5
2020	226,695	1,185	192	75.0	671	\$4.7	\$13.4	\$54,419	4.1	722.0	2.7	4.6
2021	229,045	1,198	194	75.6	647	\$4.9	\$14.2	\$55,371	3.6	726.0	2.8	4.7
2022	231,372	1,167	196	76.2	683	\$5.1	\$15.0	\$56,471	3.5	729.0	2.8	4.8
2023	233,706	1,170	197	76.9	669	\$5.3	\$15.9	\$57,588	3.4	732.1	2.9	5.0
2024	235,994	1,115	199	77.5	677	\$5.6	\$16.8	\$58,859	3.3	735.3	3.0	5.1
2025	238,275	1,110	201	78.2	658	\$5.8	\$17.7	\$59,895	3.1	738.6	3.1	5.2
2026	240,551	1,106	203	78.8	666	\$6.0	\$18.5	\$60,702	3.1	741.9	3.1	5.2
2027	242,729	1,011	204	79.5	641	\$6.3	\$19.3	\$61,579	3.0	745.3	3.2	5.2
2028	244,867	977	206	80.1	691	\$6.5	\$20.2	\$62,132	3.3	748.6	3.3	5.2
2029	247,016	992	207	80.8	670	\$6.8	\$21.0	\$62,610	3.1	752.0	3.3	5.2
2030	249,156	986	209	81.4	662	\$7.0	\$21.8	\$63,116	3.0	755.3	3.4	5.2
2031	251,297	990	211	82.0	631	\$7.3	\$22.6	\$63,535	2.9	758.7	3.5	5.2
2032	253,432	975	212	82.6	595	\$7.6	\$23.4	\$63,684	3.1	762.0	3.6	5.2
2033	255,552	956	214	83.2	602	\$7.9	\$24.2	\$64,254	2.7	765.4	3.7	5.2
2034	257,624	906	216	83.8	584	\$8.2	\$25.1	\$64,727	2.9	768.8	3.7	5.2
2035	259,667	879	218	84.4	630	\$8.5	\$26.1	\$65,225	3.0	772.2	3.8	5.2
2036	261,680	843	220	85.0	628	\$8.8	\$27.1	\$65,455	3.4	775.5	3.9	5.2
2037	263,686	832	222	85.6	617	\$9.1	\$28.1	\$65,660	3.5	778.9	4.0	5.2
2038	265,630	773	223	86.2	610	\$9.4	\$29.2	\$66,019	3.3	782.3	4.1	5.2
2039	267,599	807	224	86.8	602	\$9.7	\$30.3	\$66,265	3.5	785.7	4.2	5.2
2040	269,477	713	226	87.3	576	\$10.0	\$31.4	\$66,534	3.4	789.0	4.3	5.2
2041	271,327	679	227	87.9	565	\$10.3	\$32.6	\$66,889	3.2	792.4	4.4	5.2
2042	273,172	666	229	88.4	557	\$10.6	\$33.7	\$67,283	3.1	795.7	4.5	5.2
2043	275,016	654	231	89.0	569	\$10.9	\$34.9	\$67,707	3.0	799.1	4.6	5.2
2044	276,867	653	232	89.5	572	\$11.2	\$36.1	\$68,218	2.8	802.5	4.7	5.2
2045	278,723	653	234	90.1	574	\$11.6	\$37.4	\$68,579	3.0	805.8	4.8	5.2
2046	280,585	651	235	90.6	577	\$11.9	\$38.6	\$68,952	2.9	809.2	4.9	5.2
2047	282,454	651	237	91.2	571	\$12.2	\$39.9	\$69,314	2.9	812.5	5.0	5.2
2048	284,318	642	238	91.7	589	\$12.5	\$41.3	\$69,720	2.9	815.9	5.2	5.2
2049	286,183	647	240	92.3	592	\$12.9	\$42.7	\$70,170	2.9	819.2	5.3	5.2
2050	288,042	646	241	92.9	597	\$13.3	\$44.2	\$70,694	2.9	822.6	5.4	5.2

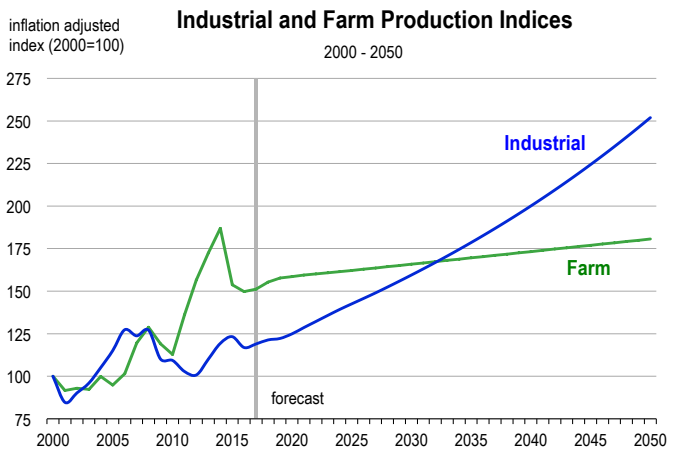
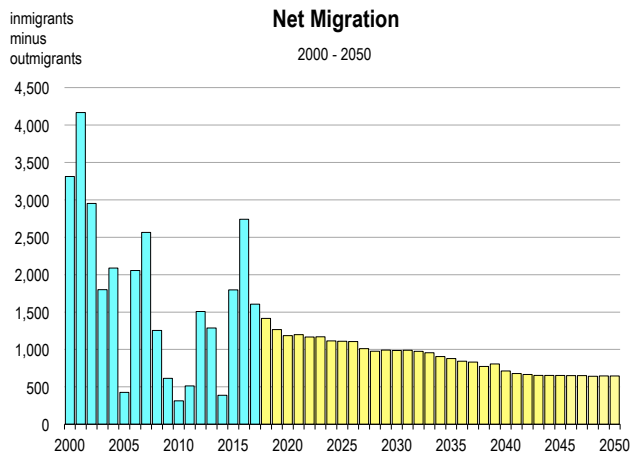
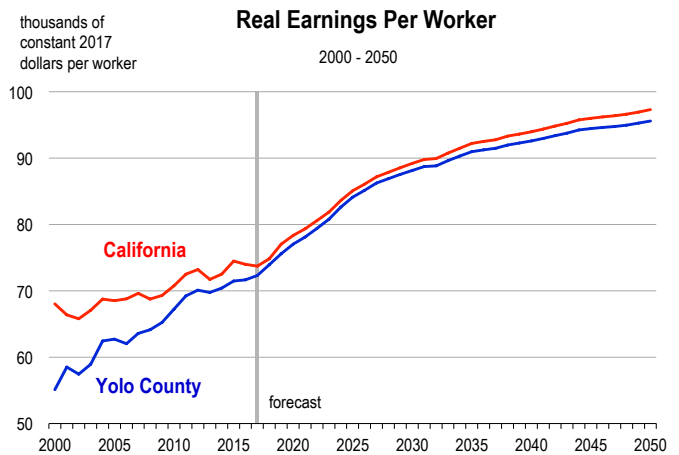
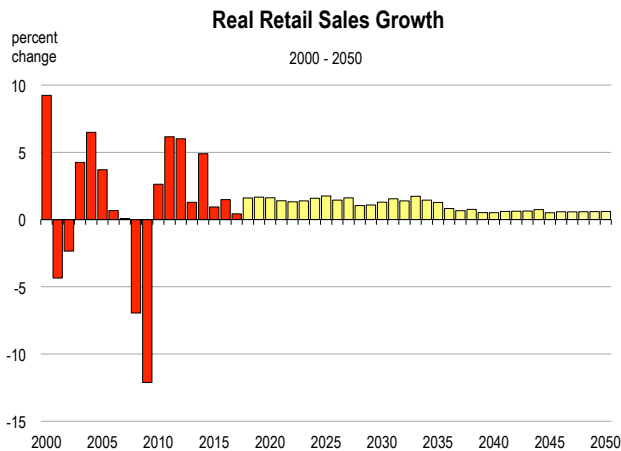


Yolo County Employment Forecast

2010-2017 History, 2018-2050 Forecast

	Total Wage & Salary	Farm	Construction	Manufac- turing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
-----employment (thousands of jobs)-----												
2010	96.0	4.85	3.5	5.2	6.4	11.9	3.1	6.9	1.0	8.5	6.4	36.2
2011	95.4	5.09	3.3	4.7	6.4	12.1	2.9	7.2	1.0	8.4	6.3	36.0
2012	96.9	5.30	3.1	5.0	6.3	11.9	2.9	7.7	1.0	8.6	6.7	36.1
2013	98.9	5.35	3.0	5.5	6.4	12.4	2.8	7.8	1.1	9.0	6.8	36.5
2014	101.7	5.72	3.0	6.2	6.6	12.6	2.5	8.0	1.0	9.3	7.1	37.3
2015	104.7	5.83	3.5	6.5	6.9	12.7	2.5	8.3	1.0	9.6	7.5	38.2
2016	107.9	6.39	3.6	5.8	7.1	13.0	2.5	8.9	1.0	9.9	7.9	39.4
2017	109.3	6.03	3.8	5.7	7.2	13.3	2.5	9.1	0.9	10.3	8.2	39.8
2018	111.1	6.12	3.9	5.7	7.4	13.4	2.5	9.2	0.9	10.6	8.5	40.3
2019	112.7	6.18	4.0	5.7	7.6	13.5	2.5	9.4	0.9	10.9	8.6	40.9
2020	114.2	6.20	4.1	5.7	7.7	13.6	2.5	9.5	0.9	11.0	8.7	41.6
2021	115.5	6.22	4.1	5.7	7.8	13.6	2.5	9.7	0.9	11.2	8.8	42.2
2022	116.9	6.23	4.2	5.7	7.9	13.7	2.5	9.9	0.9	11.3	9.0	42.9
2023	118.1	6.25	4.2	5.7	8.0	13.7	2.5	10.0	0.9	11.5	9.1	43.4
2024	119.1	6.26	4.2	5.8	8.0	13.8	2.5	10.2	1.0	11.6	9.2	43.9
2025	120.1	6.28	4.2	5.8	8.1	13.9	2.5	10.3	1.0	11.7	9.3	44.4
2026	121.1	6.29	4.2	5.8	8.1	13.9	2.5	10.5	1.0	11.8	9.3	44.8
2027	122.1	6.31	4.3	5.8	8.2	14.0	2.5	10.7	1.0	12.0	9.4	45.3
2028	123.2	6.33	4.3	5.8	8.2	14.1	2.5	10.9	1.0	12.2	9.4	45.7
2029	124.1	6.34	4.3	5.8	8.2	14.1	2.5	11.1	1.0	12.3	9.5	46.0
2030	125.1	6.36	4.3	5.8	8.3	14.2	2.5	11.4	1.0	12.5	9.6	46.4
2031	126.0	6.37	4.3	5.9	8.3	14.2	2.5	11.5	1.0	12.7	9.7	46.6
2032	126.7	6.39	4.3	5.9	8.3	14.3	2.5	11.7	1.0	12.9	9.8	46.8
2033	127.6	6.40	4.3	5.9	8.3	14.4	2.5	11.8	1.0	13.1	9.9	47.0
2034	128.3	6.42	4.3	5.9	8.4	14.4	2.5	12.0	1.0	13.3	10.0	47.2
2035	129.2	6.44	4.3	5.9	8.4	14.5	2.5	12.1	1.0	13.5	10.1	47.5
2036	130.1	6.45	4.3	5.9	8.4	14.5	2.5	12.2	1.0	13.7	10.2	47.8
2037	131.0	6.47	4.3	6.0	8.5	14.6	2.5	12.4	1.0	13.9	10.3	48.2
2038	131.8	6.48	4.3	6.0	8.5	14.6	2.5	12.5	1.0	14.1	10.3	48.5
2039	132.7	6.50	4.3	6.0	8.5	14.6	2.5	12.7	1.0	14.3	10.4	48.8
2040	133.6	6.51	4.3	6.0	8.5	14.7	2.5	12.8	1.0	14.5	10.5	49.1
2041	134.4	6.53	4.3	6.0	8.6	14.7	2.5	12.9	1.0	14.7	10.6	49.4
2042	135.3	6.54	4.3	6.0	8.6	14.7	2.5	13.1	1.0	14.9	10.7	49.7
2043	136.2	6.56	4.3	6.0	8.6	14.8	2.5	13.2	1.0	15.1	10.8	50.0
2044	137.1	6.57	4.3	6.1	8.7	14.8	2.5	13.4	1.0	15.3	10.9	50.3
2045	137.9	6.59	4.3	6.1	8.7	14.9	2.5	13.5	1.0	15.5	11.0	50.6
2046	138.8	6.60	4.3	6.1	8.7	14.9	2.5	13.7	1.0	15.7	11.1	50.9
2047	139.7	6.62	4.3	6.1	8.7	14.9	2.5	13.8	1.1	15.9	11.2	51.2
2048	140.6	6.63	4.3	6.1	8.8	15.0	2.5	14.0	1.1	16.1	11.3	51.5
2049	141.6	6.65	4.3	6.1	8.8	15.0	2.5	14.2	1.1	16.3	11.4	51.8
2050	142.6	6.66	4.4	6.2	8.8	15.1	2.5	14.3	1.1	16.5	11.6	52.2





County Economic and Demographic Indicators

Projected Economic Growth (2018-2023)

Expected retail sales growth:	7.6%
Expected job growth:	6.3%
Fastest growing jobs sector:	Professional Services
Expected personal income growth:	16.5%

Expected population growth:	5.3%
Net migration to account for:	51.1%
Expected growth in number of vehicles:	4.9%

Demographics (2018)

Unemployment rate (April 2018):	5.0%
County rank* in California (58 counties):	28th
Percent of population working age:(16-64):	68.7%

Population with B.A. or higher:	41.4%
Median home selling price (2017):	\$415,000
Median household Income:	\$65,762

Quality of Life

Violent crime rate (2016):	286 per 100,000 persons
County rank* in California (58 counties):	16th
Average commute time to work (2018):	25 minutes

High school drop out rate (2017):	7.5%
Households at/below poverty line (2018):	9.5%

* The county ranked 1st corresponds to the lowest rate in California